

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**REGULATORY CHANGES, REPORTING QUALITY AND
AUDIT FEES: THE MODERATING ROLE OF FIRM
CHARACTERISTICS**

SALAU ABDULMALIK O



UUM
Universiti Utara Malaysia

**DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
September 2016**



TUNKU PUTERI INTAN SAFINAZ
SCHOOL OF ACCOUNTANCY
COLLEGE OF BUSINESS
Universiti Utara Malaysia

PERAKUAN KERJA TESIS / DISERTASI
(Certification of thesis / dissertation)

Kami, yang bertandatangan, memperakukan bahawa
(We, the undersigned, certify that)

SALAU ABDULMALIK OLARINOYE

calon untuk Ijazah
(candidate for the degree of)

DOCTOR OF PHILOSOPHY

**REGULATORY CHANGES, REPORTING QUALITY AND AUDIT FEES: THE MODERATING ROLE OF
FIRM CHARACTERISTICS**

seperti yang tercatat di muka surat tajuk dan kulit tesis / disertasi.
(as it appears on the title page and front cover of the thesis / dissertation).

Bahawa tesis/disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan, sebagaimana yang ditunjukkan oleh calon dalam ujian lisan yang diadakan pada:

26 September 2016.

(That the said thesis/dissertation is acceptable in form and content and displays a satisfactory knowledge of the field of study as demonstrated by the candidate through an oral examination held on:

26 September 2016.

Pengerusi Viva : **Prof. Dr. Madya Dr. Engku Ismail Engku Ali**

Tandatangan
(Signature)

Pemeriksa Luar : **Prof. Dr. Mazlina @ Norzila Mat Zain**

Tandatangan
(Signature)

Pemeriksa Dalam : **Prof. Dr. Wan Nordin Wan Hussin**

Tandatangan
(Signature)

Tarikh: **26 September 2016**
(Date)

Nama Pelajar : **Salau Abdulmalik Olarinoye**
(Name of Student)

Tajuk Tesis / Disertasi : **Regulatory Changes, Reporting Quality and Audit Fees: The
(Title of the Thesis / Dissertation) Moderating Role of Firm Characteristics**

Program Pengajian : **Doctor of Philosophy**
(Programme of Study)

Nama Penyelia/Penyelia-penyelia : **Prof. Dr. Ayoib Che Ahmad**
(Name of Supervisor/Supervisors)



Tandatangan

Nama Penyelia/Penyelia-penyelia :
(Name of Supervisor/Supervisors)

Universiti Utara Malaysia

Tandatangan

PERMISSION TO USE

In presenting this thesis in fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the Universiti Library may make it freely available for inspection. I further agree that permission for the copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence, by the Dean of Tunku Puteri Intan Safinaz School of Accountancy where I did my thesis. It is understood that any copying, publication, or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia (UUM) for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part should be addressed to:

Dean of Tunku Puteri Intan Safinaz School of Accountancy

Universiti Utara Malaysia

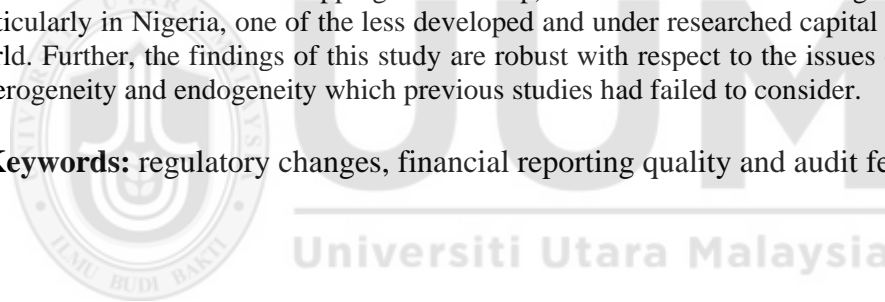
06010 UUM Sintok

Kedah Darul Aman

ABSTRACT

The objective of this study is to investigate the effect of regulatory changes on financial reporting quality and audit fees and to further test whether this effect was moderated by firm characteristics (i.e. abnormal audit fees, political connections and overlapping directorship) in Nigeria. This study utilised the data of 90 companies listed on the Nigerian stock exchange over the periods 2008-2013. Using Generalized Method of Moments (GMM) technique that takes into account the endogeneity nature of financial reporting quality and audit fees model, the results indicated that financial reporting quality improved in the regulatory changes period. However, abnormal audit fees, political connection and overlapping directorship deteriorated the effect. In addition, the study found an increase in the amount paid as audit fees in the regulatory changes periods and this varied with the perceived riskiness of firm characteristics. Specifically, the increase in financial reporting quality in the regulatory changes periods led to a decrease in audit fees while the perceived riskiness of overlapping directorship increased audit fees in the regulatory changes periods. Further, the perceived riskiness of politically connected firms in the regulatory changes periods did not significantly affect audit fees. Accordingly, future regulatory reforms must be cognizant of these factors. Even though there are abundant empirical studies on financial regulatory changes and their effects on financial reporting quality and audit fees, this study provides additional insights into the regulatory change literature by investigating how firms characteristics (abnormal audit fees, political connection and overlapping directorship) moderates the effect of regulatory changes particularly in Nigeria, one of the less developed and under researched capital markets in the world. Further, the findings of this study are robust with respect to the issues of unobserved heterogeneity and endogeneity which previous studies had failed to consider.

Keywords: regulatory changes, financial reporting quality and audit fees, Nigeria



ABSTRAK

Objektif kajian ini adalah untuk meneliti kesan perubahan kawal selia terhadap kualiti laporan kewangan dan yuran audit untuk menguji dengan lebih lanjut sama ada kesan ini disederhanakan oleh ciri-ciri firma (iaitu, yuran audit yang tidak normal, hubungan politik, dan pertindihan pengarah) di Nigeria. Kajian ini menggunakan data 90 syarikat yang tersenarai di Nigerian Stock Exchange dari tahun 2008-2013. Menggunakan teknik *Generalized Method of Moments* (GMM) yang mengambil kira sifat endogen kualiti laporan kewangan dan model yuran audit, keputusan menunjukkan bahawa kualiti laporan kewangan adalah bertambah baik dalam tempoh perubahan pengawalseliaan. Walau bagaimanapun, yuran audit yang tidak normal, hubungan politik, dan pertindihan pengarah menjejaskan kesan tersebut. Juga, kajian ini mendapati peningkatan dalam jumlah yang dibayar sebagai yuran audit dalam tempoh perubahan peraturan dan kesan ini berbeza-beza bergantung kepada risiko ciri-ciri firma yang ditanggap. Secara khususnya, peningkatan kualiti laporan kewangan didalam tempoh perubahan kawal selia membawa kepada penurunan kepada yuran audit manakala risiko pertindihan pengarah meningkatkan yuran audit dalam tempoh tersebut. Selanjutnya, risiko syarikat yang berkait dengan politik dalam tempoh perubahan kawal selia tidak memberi kesan signifikan kepada yuran audit. Oleh itu, pembaharuan pengawalseliaan masa hadapan mesti mengambil kira faktor-faktor ini. Walaupun terdapat penyelidikan yang banyak mengenai perubahan pengawalseliaan kewangan dan kesannya terhadap kualiti laporan kewangan dan yuran audit, kajian ini memberikan pandangan tambahan kepada karya perubahan kawal selia dengan menyiasat bagaimana ciri-ciri firma (yuran audit yang tidak normal, kaitan politik, dan pertindihan pengarah) menyederhanakan kesan perubahan peraturan kawal selia terutamanya di Nigeria, salah satu pasaran modal yang kurang maju dan kurang dikaji di dunia. Di samping itu, hasil kajian ini adalah teguh mengenai isu-isu kepelbagaian dan endogen yang tidak terlihat yang telah gagal diambil kira oleh kajian sebelum ini.

Kata kunci: perubahan peraturan, kualiti laporan kewangan, yuran audit, Nigeria

ACKNOWLEDGEMENT

All praises are due to Allah (SWT) who guarded and guided me towards the successful completion of my Doctor of Philosophy programme. First and foremost, I will like to appreciate my supervisor Prof. Dr. Ayoib Che Ahmad for his various contributions and useful criticisms that led to the successful completion of this thesis. I thank him for making himself available at all times so that I could learn so much from him. Also, I acknowledge the effort of my external reviewer; Prof. Dr. Mazlina@Nor Zila Mat Zain who passed away few weeks after my viva. I appreciate her contribution towards improving the quality of my thesis and I prayed that almighty Allah forgives and bless her with Al-Janah. The insightful comments of my internal reviewer Prof. Dr. Wan Nordin Wan Hussin towards the perfection of the thesis are much more appreciated. Indeed, the two reviewers and my supervisor have taken their time to ensure that all the i's were dotted and t's crossed.. I equally acknowledge the moral, spiritual and financial support received from my parents: Alhaji Razaq Salau and Alhaja Hafusat Fumilayo as well as my stepmother Alhaja Sidiqat Salau. I would also like to thank my siblings, Azeezat, Taofeekat, Rofeekat, Ramat, Naimat, Muhammad, Maitminah, Yusurah, and Salahudeen, for their endurance and prayers during my sojourn in Malaysia. In addition, I would like to register my appreciation to Ayantola Taofeekat and her siblings, the Al-kadriyah Mubarak family, Dr. Al-hassan's family, Tailiat Ayodele, Moshood Osulale family, Mall Tajudeen and Mall Shittu, for all their support and prayers during my absence. In addition, I would like to express my appreciation to my colleagues and friends at the Universiti Utara Malaysia most especially Afolabi Lukman for the words of encouragement and advice. To all other well-wishers too numerous to mention due to the limitations of space and time I say a very big thank you and Jazakallahu Khairan. Finally, my sincere gratitude goes to the management of University Utara Malaysia for the Ph.D. scholarship grant, the scholarship grant indeed reduced my financial burden and aided the timely completion of the programme.

TABLE OF CONTENTS

CERTIFICATION OF THESIS	I
PERMISSION TO USE	III
ABSTRACT	IV
ABSTRAK	V
ACKNOWLEDGEMENT	VI
TABLE OF CONTENTS	VII
LIST OF TABLES	XIII
LIST OF FIGURES	XIV
LIST OF APPENDICES	XV
CHAPTER ONE INTRODUCTION	1
1.1 Background	1
1.2 Problem Statement	6
1.3 Motivation and Research Question	15
1.4 Objectives of the Study	16
1.5 Significance of the Study	17
1.5.1 Significance of the Present Study to Existing Literature	18
1.5.2 Practical Significance	21
1.6 Scope of Study	23
CHAPTER TWO LITERATURE REVIEW	24
2.1 Introduction	24
2.2 Overview of Nigeria Financial Reporting and Corporate Governance	25
2.2.1 Business and Legal Environments in Nigeria	25
2.2.2 Corporate Governance Initiatives in Nigeria	27
2.2.3 Nigerian Accounting Standards Board (NASB)	30
2.2.4 Financial Reporting Council of Nigeria (FRCN)	32
2.2.5 Overview of Audit Services in Nigeria	33
2.3 Global Adoption of IFRS	36
2.4 Sarbanes-Oxley Act (SOX) of 2002	39

2.4.1 The Effect of Regulatory Reform on Financial Reporting Quality/Audit Quality	42
2.4.1.1 The Effect of SOX on Financial Reporting Quality/Audit Quality	42
2.4.2.2 The Effect of IFRS on Financial Reporting Quality	47
2.5 Audit Pricing Literature	54
2.5.1 Client Attributes	56
2.5.1.1 Audit Client Size	56
2.5.1.2 Audit Client Complexity	57
2.5.1.3 Audit Client Risk	59
2.5.1.4 Corporate Governance	60
2.5.2 Auditors Attributes	66
2.5.2.1 Auditors Size	66
2.5.2.2 Auditor Industrial Expertise	69
2.5.2.3 Non-Audit Services	70
2.5.2.4 Auditor's Tenure	71
2.5.3 Audit Quality	71
2.5.3.1 Determinants of Audit Quality	74
2.5.3.1.1 Going Concern Opinion	74
2.5.3.1.2 Earnings Management/ Earnings Quality	75
2.5.3.1.3 Other Proxies	77
2.5.3.1.4 Input Based Measures	78
2.6 Empirical Studies on the Effect of Regulatory Changes on Audit Fees	78
2.7 Gaps in Past Studies	86
2.8 Underpinning Theories	88
2.8.1 Agency Theory and Audit Market	88
2.8.2 Theory of Process Accountability	90
2.8.3 Economic Bonding Theory	92
2.8.4 Insurance Theory	93
2.8.5 Product Differentiation/ Brand Name Theory	94
2.9 Summary	95

CHAPTER THREE THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT 97

3.1 Introduction	97
3.2 Theoretical Framework	98
3.3 Hypotheses Development	99
3.3.1 The Effect of Regulatory Changes on Financial Reporting Quality (RQ 1)	99
3.3.2 The Effect of Regulatory Changes and its Interaction with Abnormal Audit Fees on Financial Reporting Quality (RQ 2)	102
3.3.3 The Effect of Regulatory Changes and its Interaction with Politically Connected on Financial Reporting Quality (RQ 3)	106
3.3.4 The Effect of Regulatory Changes and its Interaction with Overlapping Directorships on Financial Reporting Quality (RQ 4)	109
3.3.5 The Effect of Regulatory Changes on Audit Fees (RQ 5)	113
3.3.6 The Effect of Regulatory Changes and its Interaction with Financial Reporting Quality on Audit Fees (RQ 6)	116
3.3.7 The Effect of Regulatory Changes and Its Interaction with Politically Connected Firms on Audit Fees (RQ 7)	119
3.3.8 The Effect of Regulatory Changes and its Interaction with Overlapping Directorships on Audit Fees (RQ 8)	121
3.4 Summary	124

CHAPTER FOUR RESEARCH METHOD 127

4.1 Introduction	127
4.2 Research Model and Measurement	127
4.2.1 Financial Reporting Quality Model	127
4.2.2 Audit Fees Model	131
4.3 Measurement of Variables	134
4.3.1 Dependent Variables	134
4.3.1.1 Financial reporting quality	135
4.3.1.2 Audit Fees	137
4.3.2 Independent Variables	137

4.3.2.1 Post-Regulatory Period	137
4.3.2.2 Abnormal Audit Fees	138
4.3.2.3 Interaction Term	140
4.3.2.4 Politically Connected Firms	140
4.3.2.5 Overlapping Directors	141
4.3.3 Control Variables	142
4.4 Population and Research Data	146
4.4.1 Population	146
4.4.2 Sample Selection	147
4.5 Data Analysis	148
4.5.1 Static Panel Data Estimations Model	150
4.5.2 Pooled Effects vs. RE/FE	150
4.5.3 FE Model vs. RE Model	151
4.5.4 Diagnostic Test of Panel Data Analysis	151
4.5.4.1 Heteroscedasticity	151
4.5.4.2 Autocorrelation	152
4.5.4.4 Multicollinearity	152
4.5.5 Endogeneity Issue	153
4.6.1 GMM Estimator	154
4.6.2 GMM Specification Tests	155
4.6.2.1 Endogeneity Test	155
4.6.2.2 Testing the Validity of the Instruments	156
4.7 Summary	156
CHAPTER FIVE DATA ANALYSIS	158
5.1 Introduction	158
5.2 Industry Classification	158
5.3 Descriptive Statistics	159
5.3.1 Dependent Variables	159
5.3.2 Explanatory Variables	160
5.3.3 Control Variables	160

5.4 Analysis of Pearson Correlation Matrix	163
5.5 Diagnostic Test Results	171
5.5.1 Heteroscedasticity Results	171
5.5.2 Autocorrelation Results	172
5.5.3 Multicollinearity Results	173
5.5.4 Testing for Endogeneity in the Regressors	173
5.6 Inferential Statistics and Measurements of Relationships	175
5.7 Estimation of Abnormal Audit Fees	176
5.8 Panel Regression Results for Financial Reporting and Audit Fees Model	177
5.8.1 Model Estimation Results for Financial Reporting Quality	178
5.8.2 Model Estimation Results for Audit Fees	188
5.9 Additional Analysis for Financial Reporting Quality Model	198
5.10 Additional Analysis for Audit Fees Model	205
CHAPTER SIX DISCUSSION OF RESULTS AND CONCLUSION	207
6.1 Introduction	207
6.2 Overview of the Study	207
6.3 Discussion of results	210
6.3.1 Overview of Results	210
6.3.2 The Effect of Regulatory Change on Financial Reporting Quality (Hypothesis 1)	211
6.3.3 The Effect of Regulatory Changes and its Interaction with Abnormal Audit Fees on Financial Reporting Quality (Hypothesis 2)	214
6.3.4 The Effect of Regulatory Changes and its Interaction with Politically Connected on Financial Reporting Quality (Hypothesis 3)	216
6.3.5 The Effect of Regulatory Changes and its Interaction with Overlapping Directorships on Financial Reporting Quality (Hypothesis 4)	217
6.3.6 The Effect of Regulatory Changes on Audit fees (Hypothesis 5)	219
6.3.7 The Effect of Regulatory Changes and its Interaction with Financial Reporting Quality on Audit Fees (Hypothesis 6)	221
6.3.8 The Effect of Regulatory Changes and Its Interaction with Politically Connected Firms on Audit Fees (Hypothesis 7)	222

6.3.9 The Effect of Regulatory Changes and its Interaction with Overlapping Directorships on Audit Fees (Hypothesis 8)	223
6.3.10 Control Variables for the Financial Reporting Quality Model	224
6.3.11 Control Variables for the Audit Fees Model	227
6.4 Comparison of the Financial Reporting Quality Model and Audit Fees.	232
6.5 Contributions of the Current Study	234
6.5.1 Contributions to the Existing Literature	234
6.5.2 Methodological Contributions	237
6.5.3 Practical Contributions	240
6.6 Limitations of the Study	242
6.7 Future Research	243
6.8 Conclusions	245
REFERENCES	247



UUM
Universiti Utara Malaysia

LIST OF TABLES

Table 1.1 Total Market Capitalization of and Volume of Trade on the Nigerian Stock Exchange	10
Table 2.1 Summary of Studies Investigating the Relationship between Changes in Regulation and Financial Reporting after SOX	52
Table 2.2 Summary of Studies Investigating Regulatory Changes and Audit Fees after SOX	83
Table 4.1 Explanation of Variables	129
Table 4.2 Specification for Model 4	132
Table 4.3 Specification of equation	139
Table 4.4 Number of Listed Companies on the Nigerian Stock Exchange	146
Table 4.5 Sample Selection Table	148
Table 5.1 Industry Classification	158
Table 5.2 Descriptive Statistics of the Regression Variables for the Financial Reporting Quality Model and Audit Fees Model	162
Table 5.3 Correlation Coefficient of the Financial Reporting Quality Model and Independent Variables	165
Table 5.4 Correlation Coefficient of the Audit Fees Model and Independent Variables	168
Table 5.5 The Durbin-Wu-Hausman Test for Endogeneity of Regressors	174
Table 5.6 Estimation of Abnormal Audit fees	177
Table 5.7 Financial Reporting Quality Regression Model	186
Table 5.8 Audit Fees Regression Model	195
Table 5.9 Financial Reporting Quality Regression Model	199
Table 5.11 Financial Reporting Quality Based on the Big 4 Audit Market Segment	204
Table 5.11 Audit Fees Regression Model	205
Table 6.1 Summary of Model Selection	210
Table 6.2 Summary of Panel Regression Results	211

LIST OF FIGURES

Figure 1.1. The pre- and regulatory changes periods.	23
Figure 3.1. Theoretical Framework of the Effect of Abnormal Audit Fees, Political Connection and Overlapping Directorship on the Relationship between Regulatory Changes and Financial Reporting Quality in Nigeria.	98
Figure 3.2. Theoretical Framework on the Effect of Financial Reporting Quality, Political Connection and Overlapping Directorship on the Relationship between Regulatory Changes and Audit Fees in Nigeria.	99



LIST OF APPENDICES

Appendix 4A Variance Inflation Factor For Financial Reporting Quality Mode	288
Appendix 4B Variance Inflation Factor for Audit Fees Model	289
Appendix 4C GMM Step One Result for Financial Reporting Model	290
Appendix 4D GMM Step One Result For Audit Fees Model	292



LIST OF ABBREVIATIONS

ANAN	The Association of National Accountants Nigeria
ASC	Accounting Standards Committee
Big 4	The 4 largest audit firms worldwide, Deloitte, KMPG, PricewaterhouseCoopers, and Ernst & Young
Big 5	Until 2002, there were five big accounting firms worldwide. These included Deloitte, KMPG, Ernst & Young and Price Waterhouse. Then Price Waterhouse and Coopers & Lybrand merged to become PricewaterhouseCoopers
Big 8	Before 1987, the top accountancy firms were actually referred to as the Big 8. They were Deloitte Haskins & Sells, Arthur Andersen, Touche Ross, Price Waterhouse, Coopers & Lybrand, Peat Marwick Mitchell, Arthur Young & Co. and Ernst & Whinney
CAMA	Companies and Allied Matters Acts (CAMA 1990), Nigeria
CCG	Combined Code of Corporate Governance, the United Kingdom
CBN	Central Bank of Nigeria
FASB	Financial Accounting Standards Board, the United States
FRC	Financial Reporting Council, the United Kingdom
FRCN	Financial Reporting Council of Nigeria
FSF	Financial Stability Forum
GAAP	Generally Accepted Accounting Principles
GMM	Generalized Method of Moments
ICAN	Institute of Chartered Accountants of Nigeria
ICFR	Internal Control of Financial Reporting, the United States
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
MCCG	Malaysian Code of Corporation Governance
NASB	Nigeria Accounting Standards Board
SEC	Securities and Exchange Commission, the United States
SOX	Sarbanes-Oxley Act, the United States

CHAPTER ONE

INTRODUCTION

1.1 Background

The rapid pace at which capital markets around the globe are integrating has indeed brought about innovative changes to the business environment across the world. These changes have also reinforced the need to overhaul financial reporting regimes in most countries (Leuz 2010; Griffin, Lont & Sun 2009; Poon 2012; Combarros 2000). Unlike before, the consequences of a weak-reporting culture now transcend national borders.

Arguably, the lack of adequate accounting disclosures and corporate governance practices are the main issues that contributed to the financial crisis that disrupted the capital markets of emerging countries in 1997 and 1998 (Greenspan 1999). The East Asian financial crisis that started in Thailand in July 1997 deepened and spread to Indonesia, South Korea, Hong Kong, Malaysia, and the Philippines, among others were in no small measure due to inadequate accounting disclosures and poor corporate governance practices (Arnold 2012). The same factors (i.e., inadequate accounting practises and corporate governance failures) were also the causes of corporate failures in the widely publicised cases of Enron, WorldCom, and Arthur Andersen in 2001 in the United States. Without a doubt, with the globalised nature of capital markets, reliable, transparent, comparable, and consistent financial information are necessary tools to avert another economic crisis.

Corporate collapses and the global financial crisis renewed the interests of both practitioners and academic researchers in issues of financial reporting quality. As a result, reforms directed towards improving financial reporting quality have continued

The contents of
the thesis is for
internal user
only

REFERENCES

- Abbott, L. J., Parker, S., & Peters, G. F. (2006). Earnings management, litigation risk, and asymmetric audit fee responses. *Auditing*, 25(1), 85-98.
- Abbott, L. J., Parker, S., Peters, G. F., & Raghunandan, K. (2003). The association between audit committee characteristics and audit fees. *Auditing: A Journal of Practice & Theory*, 22(2), 17-32.
- Abdulmalik, O., & Che-Ahmad, A. (2016). Audit Fees, Corporate Governance Mechanisms, and Financial Reporting Quality in Nigeria. *DLSU Business & Economics Review*, 26(1).
- Abdul Wahab, E. A., Mat Zain, M., & Abdul Rahman, R. (2015). Political connections: A threat to auditor independence? *Journal of Accounting in Emerging Economies*, 5(2), 222-246.
- Adams, M. B. (1994). Agency theory and the internal audit. *Managerial Auditing Journal*, 9(8), 8-12.
- Adegbite, E. (2014). Good corporate governance in Nigeria: Antecedents, propositions and peculiarities. *International Business Review*, 24(2), 319-330.
- Adegbite, E., & Nakajima, C. (2011). Corporate governance and responsibility in Nigeria. *International Journal of Disclosure and Governance*, 8(3), 252-271.
- Africa Economic Outlook. (2014). *Global value chains and Africa's industrialisation*. African Development Bank. Retrieved on 11 February 2015 from <http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2014/PDF/E->

Book_African_Economic_Outlook_2014.pdf. doi: [http://dx.doi.org/ 10.1787/aeo-2014-en](http://dx.doi.org/10.1787/aeo-2014-en)

Agoglia, C. P., Douppnik, T. S., & Tsakumis, G. T. (2011). Principles-based versus rules-based accounting standards: The influence of standard precision and audit committee strength on financial reporting decisions. *Accounting Review*, 86(3), 747-767. doi: 10.2308/accr.00000045

Aharony, J., Barniv, R., & Falk, H. (2010). The impact of mandatory IFRS adoption on equity valuation of accounting numbers for security investors in the EU. *European Accounting Review*, 19(3), 535-578.

Ahmed, A. S., Neel, M., & Wang, D. (2013). Does mandatory adoption of IFRS improve accounting quality? Preliminary evidence. *Contemporary Rccounting Research*, 30(4), 1344-1372. doi: 10.1111/j.1911-3846.2012.01193.x

Ahmed, K., & Goyal, M. K. (2005). A comparative study of pricing of audit services in emerging economies. *International Journal of Auditing*, 9(2), 103-116.

Akanbi, F. (2012). Nigeria Auditors ruffled by subsidy scam, *THIS DAY*.
<http://www.thisdaylive.com/articles/auditors-ruffled-by-subsidy-scam/114744/>

Al-Matarneh, G. F. (2012). The pricing of audit services: Evidence from Jordan. *International Business Research*, 5(3), 114.

Al-Shammari, B., Al-Yaqoat, A., & Al-Hussaini, A. (2008). Determinants of audit fees in Kuwait. *Journal of the Academy of Business and Economics*, 8(1), 140-152.

- Amaka, E. (2012, 16 May 2012). Poor audit reports, discouraging foreign investors. Retrieved from <http://www.thisdaylive.com/articles/poor-audit-reports-discouraging-foreign-investors-/115945/>
- Antle, R., Gordon, E., Narayanamoorthy, G., & Zhou, L. (2006). The joint determination of audit fees, non-audit fees, and abnormal accruals. *Review of Quantitative Finance & Accounting*, 27(3), 235-266. doi: 10.1007/s11156-006-9430-y
- Antle, R., & Nalebuff, B. (1991). Conservatism and auditor-client negotiations. *Journal of Accounting Research*, 29(3), 31-54.
- Arellano, M., & Bond, S. (1991). Some tests of specification for panel data: Monte Carlo evidence and an application to employment equations. *The Review of Economic Studies*, 58(2), 277-297.
- Armstrong, C. S., Barth, M. E., Jagolinzer, A. D., & Riedl, E. J. (2010). Market reaction to the adoption of IFRS in Europe. *Accounting Review*, 85(1), 31-61.
- Armstrong, C. S., Guay, W. R., & Weber, J. P. (2010). The role of information and financial reporting in corporate governance and debt contracting. *Journal of Accounting and Economics*, 50(2), 179-234.
- Arnold, P. J. (2012). The political economy of financial harmonization: The East Asian financial crisis and the rise of international accounting standards. *Accounting, Organizations & Society*, 37(6), 361-381. doi: 10.1016/j.aos.2012.05.001
- Ashbaugh, H., LaFond, R., & Mayhew, B. W. (2003). Do non-audit services

- compromise auditor independence? Further evidence. *The Accounting Review*, 78(3), 611-639.
- Ashbaugh-Skaife, H., Collins, D. W., Kinney Jr, W. R., & LaFond, R. (2008). The effect of SOX internal control deficiencies and their remediation on accrual quality. *The Accounting Review*, 83(1), 217-250.
- Asteriou, D., & Hall, S. G. (2007). *Applied econometrics* (2nd ed.). Basingstoke, United Kingdom: Palgrave Macmillan.
- Asthana, S. C., & Boone, J. P. (2012). Abnormal audit fee and audit quality. *Auditing: A Journal of Practice & Theory*, 31(3), 1-22. doi: 10.2308/ajpt-10294
- Atwood, T., Drake, M. S., Myers, J. N., & Myers, L. A. (2011). Do earnings reported under IFRS tell us more about future earnings and cash flows? *Journal of Accounting and Public Policy*, 30(2), 103-121.
- Aubert, F., & Grudnitski, G. (2012). Analysts' estimates: What they could be telling us about the impact of IFRS on earnings manipulation in Europe. *Review of Accounting & Finance*, 11(1), 53-72.
- Azman-Saini, W., Baharumshah, A. Z., & Law, S. H. (2010). Foreign direct investment, economic freedom and economic growth: International evidence. *Economic Modelling*, 27(5), 1079-1089.
- Bakre, O. M. (2007). The unethical practices of accountants, auditors, and the compromising stance of professional bodies in the corporate world: Evidence from corporate Nigeria. *Accounting Forum*, 31(3), 277-303.
- Ball, R. (2006). International financial reporting standards (IFRS): Pros and cons for

- investors. *Accounting and Business Research*, 36(sup1), 5-27.
- Ball, R., Robin, A., & Wu, J. S. (2003). Incentives versus standards: Properties of accounting income in four East Asian countries. *Journal of Accounting & Economics*, 36(1-3), 235. doi: 10.1016/j.jacceco.2003.10.003
- Balsam, S., Krishnan, J., & Yang, J. S. (2003). Auditor industry specialization and earnings quality. *Auditing: A Journal of Practice & Theory*, 22(2), 71-97.
- Baltagi, B. (2005). *Econometric analysis of panel data* (3rd ed.). Chichester, England: John Wiley and Sons.
- Banker, R. D., Chang, H., & Cunningham, R. (2003). The public accounting industry production function. *Journal of Accounting and Economics*, 35(2), 255-281.
- Barth, M. E., Konchitchki, Y., & Landsman, W. R. (2013). Cost of capital and earnings transparency. *Journal of Accounting and Economics*, 55(2), 206-224.
- Barth, M. E., Landsman, W. R., & Lang, M. H. (2008). International accounting standards and accounting quality. *Journal of Accounting Research*, 46(3), 467-498.
- Barth, M. E., & Schipper, K. (2008). Financial reporting transparency. *Journal of Accounting, Auditing & Finance*, 23(2), 173-190.
- Barton, J., & Simko, P. J. (2002). The balance sheet as an earnings management constraint. *The Accounting Review*, 77(4), 1-27.
- Barton, J. A. N. (2005). Who cares about auditor reputation? *Contemporary Accounting Research*, 22(3), 549-586.
- Bartov, E., Gul, F. A., & Tsui, J. S. (2000). Discretionary-accruals models and audit

- qualifications. *Journal of Accounting and Economics*, 30(3), 421-452.
- Basioudis, I. G. (2007). Auditor's engagement risk and audit fees: The role of audit firm alumni. *Journal of Business Finance & Accounting*, 34(9/10), 1393-1422. doi: 10.1111/j.1468-5957.2007.02052.x
- Beattie, V., Fearnley, S., & Hines, T. (2013). Perceptions of factors affecting audit quality in the post-SOX UK regulatory environment. *Accounting & Business Research*, 43(1), 56-81. doi: 10.1080/00014788.2012.703079
- Becker, C. L., DeFond, M. L., Jiambalvo, J., & Subramanyam, K. R. (1998). The effect of audit quality on earnings management. *Contemporary accounting research*, 15(1), 1-24.
- Bédard, J. (2006). Sarbanes Oxley internal control requirements and earnings quality. Available at SSRN 926271.
- Bedard, J. C., & Biggs, S. F. (1991). The effect of domain-specific experience on evaluation of management representations in analytical procedures. *Auditing: A Journal of Practice and Theory*, 10, 77-90.
- Bedard, J. C., & Johnstone, K. M. (2004). Earnings manipulation risk, corporate governance risk, and auditors' planning and pricing precisions. *Accounting Review*, 79(2), 277-304.
- Beneish, M. D., Billings, M. B., & Hodder, L. D. (2008). Internal control weaknesses and information uncertainty. *The Accounting Review*, 83(3), 665-703.
- Benston, G. J., Bromwich, M., & Wagenhofer, A. (2006). Principles versus rules based accounting standards: The FASB's standard setting strategy. *Abacus*,

42(2), 165-188.

Berger, Li, F., & Wong, M. H. F. (2005). The impact of Sarbanes-Oxley on cross-listed companies. Available at http://w4.stern.nyu.edu/accounting/docs/speaker_papers/spring2005/Wong_SOX_and_ADRs_010805_updated.pdf

Blankley, A. I., Hurtt, D. N., & MacGregor, J. E. (2012). Abnormal audit fees and restatements. *Auditing: A Journal of Practice & Theory*, 31(1), 79-96.

Bliss, M. A. (2011). Does CEO duality constrain board independence? Some evidence from audit pricing. *Accounting & Finance*, 51(2), 361-380.

Bliss, M. A., Gul, F. A., & Majid, A. (2011). Do political connections affect the role of independent audit committees and CEO duality? Some evidence from Malaysian audit pricing. *Journal of Contemporary Accounting & Economics*, 7(2), 82-98.

Block, S. B. (2004). The latest movement to going private: An empirical study. *Journal of Applied Finance*, 14(1), 36-44.

Bonner, S. E., & Lewis, B. L. (1990). Determinants of auditor expertise. *Journal of Accounting Research*, 28(3), 1-20.

Boo, E. f., & Sharma, D. (2008). Effect of regulatory oversight on the association between internal governance characteristics and audit fees. *Accounting & Finance*, 48(1), 51-71. doi: 10.1111/j.1467-629X.2007.00229.x

Boone, J. P., Khurana, I. K., & Raman, K. K. (2012). Audit market concentration and auditor tolerance for earnings management. *Contemporary Accounting Research*, 29(4), 1171-1203. doi: 10.1111/j.1911-3846.2011.01144.x

- Boubakri, N., Cosset, J.C., & Saffar, W. (2008). Political connections of newly privatized firms. *Journal of Corporate Finance*, 14(5), 654-673. doi: 10.1016/j.jcorpfin.2008.08.003
- Bova, F., & Pereira, R. (2012). The determinants and consequences of heterogeneous IFRS compliance levels following mandatory IFRS adoption: Evidence from a developing country. *Journal of International Accounting Research*, 11(1), 83-111. doi: 10.2308/jiar-10211
- Bruggemann, U., Hitz, J.-M., & Sellhorn, T. (2013). Intended and unintended consequences of mandatory IFRS adoption: A review of extant evidence and suggestions for future research. *European Accounting Review*, 22(1), 1-37.
- Burghstahler, D. C., Hail, L., & Leuz, C. (2006). The importance of reporting incentives: Earnings management in European private and public firms. *Accounting Review*, 81(5), 983-1016.
- Burnett, B. M., Cripe, B. M., Martin, G. W., & McAllister, B. P. (2012). Audit quality and the trade-off between accretive stock repurchases and accrual-based earnings management. *The Accounting Review*, 87(6), 1861-1884.
- Bushman, R. M., Piotroski, J. D., & Smith, A. J. (2004). What determines corporate transparency? *Journal of Accounting Research*, 42(2), 207-252.
- Callao, S., & Jarne, J. I. (2010). Have IFRS affected earnings management in the European Union? *Accounting in Europe*, 7(2), 159-189.
- Cameran, M., & Perotti, P. (2014). Audit fees and IAS/IFRS adoption: Evidence from the banking industry. *International Journal of Auditing*, 18(2), 155-169. doi:

10.1111/ijau.12019

Capkun, V., Collins, D. W., & Jeanjean, T. (2012). Does adoption of IAS/IFRS deter earnings management? Google scholar, SSRN, uiova. edu, accessed, 22/ 8/ 2014.

Carcello, J. V., Hermanson, D. R., Neal, T. L., & Riley Jr, R. A. (2002). Board characteristics and audit fees. *Contemporary Accounting Research*, 19(3), 365-384.

Carcello, J. V., Hollingsworth, C., & Mastrolia, S. A. (2011). The effect of PCAOB inspections on Big 4 audit quality. *Research in Accounting Regulation*, 23(2), 85-96. doi: <http://dx.doi.org/10.1016/j.racreg.2011.10.001>

Carcello, J. V., & Neal, T. L. (2000). Audit committee composition and auditor reporting. *The Accounting Review*, 75(4), 453-467.

Carson, E. (2009). Industry specialization by global audit firm networks. *The Accounting Review*, 84(2), 355-382.

Carson, E., Fargher, N., Simon, D. T., & Taylor, M. H. (2004). Audit fees and market segmentation—Further evidence on how client size matters within the context of audit fee models. *International Journal of Auditing*, 8(1), 79-91.

Cascino, S., & Gassen, J. (2012). What drives the comparability effect of mandatory IFRS adoption? *Review of Accounting Studies*, 20(1), 242-283. Available at SSRN 1402206. doi: 10.1007/s11142-014-9296-5

Chambers, D., & Payne, J. (2011). Audit quality and accrual persistence: Evidence from the pre-and post-Sarbanes-Oxley periods. *Managerial Auditing Journal*,

26(5), 437-456.

Chan, K. C., Farrell, B., & Lee, P. (2008). Earnings management of firms reporting material internal control weaknesses under Section 404 of the Sarbanes-Oxley Act. *Auditing: A Journal of Practice & Theory*, 27(2), 161-179.

Chan, P., Ezzamel, M., & Gwilliam, D. (1993). Determinants of audit fees for quoted UK companies. *Journal of Business Finance & Accounting*, 20(6), 765-786.

Chandar, N., Chang, H., & Zheng, X. (2008). *Does overlapping membership on audit and compensation committees improve a firm's financial reporting quality?* Working paper, Drexel University. Retrieved on 14 February 2016 from <https://www.binghamton.edu/som/files/Overlapping-102308.pdf>

Chaney, P. K., Faccio, M., & Parsley, D. (2011). The quality of accounting information in politically connected firms. *Journal of Accounting & Economics*, 51(1/2), 58-76. doi: 10.1016/j.jacceco.2010.07.003

Chang, J.-C., Luo, M., & Sun, H.-L. (2011). The impact of independent and overlapping board structures on CEO compensation, pay-performance sensitivity and accruals management. *Quarterly Journal of Finance & Accounting*, 50(2), 54-84.

Charles, S. L., Glover, S. M., & Sharp, N. Y. (2010). The association between financial reporting risk and audit fees before and after the historic events surrounding SOX. *Auditing: A Journal of Practice & Theory*, 29(1), 15-39.

Che-Ahmad, A., & Houghton, K. A. (1996). Audit fee premiums of big eight firms: Evidence from the market for medium-size UK auditees. *Journal of*

International Accounting, Auditing and Taxation, 5(1), 53-72.

Chen, H., Chen, J. Z., Lobo, G. J., & Wang, Y. (2011). Effects of audit quality on earnings management and cost of equity capital: Evidence from China.

Contemporary Accounting Research, 28(3), 892-925. doi: 10.1111/j.1911-3846.2011.01088.x

Chen, H., Tang, Q., Jiang, Y., & Lin, Z. (2010). The role of international financial reporting standards in accounting quality: Evidence from the European Union. *Journal of International Financial Management & Accounting*, 21(3), 220-278.

Chi, W., Lisic, L. L., & Pevzner, M. (2011). Is enhanced audit quality associated with greater real earnings management? *Accounting Horizons*, 25(2), 315-335.

Choi, J.-H., Kim, C., Kim, J.-B., & Zang, Y. (2010). Audit office size, audit quality, and audit pricing. *Auditing: A Journal of Practice & Theory*, 29(1), 73-97.

Chow, C. W., & Rice, S. J. (1982). Qualified audit opinions and auditor switching. *The Accounting Review*, 57(2), 326-335.

Christensen, H. B., Hail, L., & Leuz, C. (2013). Mandatory IFRS reporting and changes in enforcement. *Journal of Accounting and Economics*, 56(2), 147-177.

Chung, D. Y., & Lindsay, W. D. (1988). The pricing of audit services: The Canadian perspective. *Contemporary Accounting Research*, 5(1), 19-46.

Chung, H., & Kallapur, S. (2003). Client importance, non-audit services, and abnormal accruals. *The Accounting Review*, 78(4), 931-955.

Chung, H., & Kallapur, S. (2003). Client importance, non-audit services, and abnormal accruals. *The Accounting Review*, 78(4), 931-955.

- Coakes, J.C., & Ong, C. SPSS Version 18.0 for Windows Analysis without Anguish. 1st Edition. Dougall Street, Milton: John Wiley & Sons Australia, Ltd, 20 11.
- Coates, J. C. (2007). The goals and promise of the Sarbanes-Oxley Act. *The Journal of Economic Perspectives*, 21(1), 91-116. doi: 10.1257/jep.21.1.91
- Cohen, D. A., Dey, A., & Lys, T. Z. (2008). Real and accrual-based earnings management in the pre- and post-Sarbanes-Oxley periods. *The Accounting Review*, 83(3), 757-787.
- Cohen, D. A., & Zarowin, P. (2010). Accrual-based and real earnings management activities around seasoned equity offerings. *Journal of Accounting and Economics*, 50(1), 2-19. doi: <http://dx.doi.org/10.1016/j.jacceco.2010.01.002>
- Cohen, J. R., Krishnamoorthy, G., Peytcheva, M., & Wright, A. M. (2013). How does the strength of the financial regulatory regime influence auditors' judgments to constrain aggressive reporting in a principles-based versus rules-based accounting environment? *Accounting Horizons*, 27(3), 579-601. doi: 10.2308/acch-50502
- Colbert, G., & Murray, D. (1998). The association between auditor quality and auditor size: An analysis of small CPA firms. *Journal of Accounting, Auditing & Finance*, 13(2), 135-150.
- Collier, P., & Gregory, A. (1996). Audit committee effectiveness and the audit fee. *European Accounting Review*, 5(2), 177-198.
- Combarros, J. L. L. (2000). Accounting and financial audit harmonization in the European Union. *European Accounting Review*, 9(4), 643-654. doi:

10.1080/09638180020024034

Cosgrove, S. B., & Niederjohn, M. S. (2008). The effects of the Sarbanes-Oxley act of 2002 on audit fees. *Journal of Business Strategies*, 25(1), 31-52.

Craswell, A. T., Francis, J. R., & Taylor, S. L. (1995). Auditor brand name reputations and industry specializations. *Journal of Accounting and Economics*, 20(3), 297-322.

Darlington, R. B. (1990). *Regression and linear models*. New York: McGraw-Hill.

Daske, H., & Gebhardt, G. (2006). International financial reporting standards and experts' perceptions of disclosure quality. *Abacus*, 42(3/4), 461-498. doi: 10.1111/j.1467-6281.2006.00211.x

Davidson, R. A., & Neu, D. (1993). A note on the association between audit firm size and audit quality. *Contemporary Accounting Research*, 9(2), 479-488.

De George, E. T., Ferguson, C. B., & Spear, N. A. (2013). How much does IFRS cost? IFRS adoption and audit fees. *Accounting Review*, 88(2), 429-462. doi: 10.2308/accr-50317

DeAngelo, L. E. (1981). Auditor size and audit quality. *Journal of Accounting and Economics*, 3(3), 183-199.

Dechow, P. M., & Dichev, I. D. (2002). The quality of accruals and earnings: The role of accrual estimation errors. *The Accounting Review*, 77(4), 35.

Dechow, P. M., Sloan, R. G., & Sweeney. (1995). Detecting earnings management. *The Accounting Review*, 70(2), 193-225.

DeFond, M., & Zhang, J. (2014). A review of archival auditing research. *Journal of*

- Accounting and Economics*, 58(2-3), 275-326.
- DeFond, M. L., & Francis, J. R. (2005). Audit research after Sarbanes-Oxley. *Auditing: A Journal of Practice & Theory*, 24(supplement), 5-30.
- DeFond, M. L., & Jiambalvo, J. (1994). Debt covenant violation and manipulation of accruals. *Journal of Accounting and Economics*, 17(1), 145-176.
- DeFond, M. L., & Lennox, C. S. (2011). The effect of SOX on small auditor exits and audit quality. [Article]. *Journal of Accounting and Economics*, 52(1), 21-40. doi: 10.1016/j.jacceco.2011.03.002
- DeFond, M. L., & Subramanyam, K. (1998). Auditor changes and discretionary accruals. *Journal of Accounting and Economics*, 25(1), 35-67.
- DeFond, M. L., & Zhang, J. (2014). A review of archival auditing research. *Journal of Accounting and Economics*, 58(2), 275-326.
- Deloitte Touche Tohmatsu. (2006). *IFRS in your pocket*. Retrieved from <http://www.iasplus.com/en/tag-types/global/publication-series/ifrs-in-your-pocket>
- Demaki, G. O. (2011). Proliferation of codes of corporate governance in Nigeria and economic development. *Business and Management Review*, 1(6), 1-7.
- Desir, R., Casterella, J. R., & Kokina, J. (2014). A re-examination of audit fees for initial audit engagements in the post-SOX Period. *Auditing: A Journal of Practice and Theory*, 33(2), 59-78. doi: 10.2308/ajpt-50670
- Devalle, A., Onali, E., & Magarini, R. (2010). Assessing the value relevance of accounting data after the introduction of IFRS in Europe. *Journal of International Financial Management & Accounting*, 21(2), 85-119.

- Dimitropoulos, P. E., Asteriou, D., Kousenidis, D., & Leventis, S. (2013). The impact of IFRS on accounting quality: Evidence from Greece. *Advances in Accounting*, 29(1), 108-123.
- Doukakis, L. C. (2014). The effect of mandatory IFRS adoption on real and accrual-based earnings management activities. *Journal of Accounting and Public Policy*, 33(6), 551-572.
- Doyle, J., Ge, W., & McVay, S. (2007). Determinants of weaknesses in internal control over financial reporting. *Journal of Accounting and Economics*, 44(1), 193-223.
- Drakos, A. A., & Bekiris, F. V. (2010). Corporate performance, managerial ownership and endogeneity: A simultaneous equations analysis for the Athens stock exchange. *Research in International Business and Finance*, 24(1), 24-38. doi: <http://dx.doi.org/10.1016/j.ribaf.2009.01.002>
- Dye, R. A. (1993). Auditing standards, legal liability, and auditor wealth. *Journal of Political Economy*, 101(5), 887-914. doi: 10.2307/2138601
- Egene, G. (2014). SEC gives new directive on auditors' reports, ThisDayLive Retrieved from <http://www.thisdaylive.com/articles/sec-gives-new-directive-on-auditors-reports/169234/>
- Elliott, R. K., & Korpi, A. R. (1978). Factors affecting audit fees. Appendix Commission on Auditors' Responsibilities. Cost-Benefit Analysis of Auditing Research Study No. 3 by Melvin F. Shakun. New York: AICPA.
- Emby, C., & Gibbins, M. (1987). Good judgment in public accounting: Quality and

- justification. *Contemporary Accounting Research*, 4(1), 287-313.
- Engel, E., Hayes, R. M., & Wang, X. (2007). The Sarbanes–Oxley Act and firms’ going-private decisions. *Journal of Accounting and Economics*, 44(1), 116-145.
- Eshleman, J. D., & Guo, P. (2014). Do Big 4 auditors provide higher audit quality after controlling for the endogenous choice of auditor? *Auditing: A Journal of Practice & Theory*, 33(4), 197-219.
- Evans Jr, L., & Schwartz, J. (2013). Can market power and Sarbanes-Oxley explain rising audit fees: Working paper.
- Ezzamel, M., Gwilliam, D. R., & Holland, K. M. (1996). Some empirical evidence from publicly quoted UK companies on the relationship between the pricing of audit and non-audit services. *Accounting & Business Research*, 27(1), 3-16.
- Faccio, M. (2006). Politically connected firms. *American Economic Review*, 96(1), 369-386.
- Fan, J. P., & Wong, T. J. (2005). Do external auditors perform a corporate governance role in emerging markets? Evidence from East Asia. *Journal of Accounting Research*, 43(1), 35-72.
- Felix Jr, W. L., Gramling, A. A., & Maletta, M. J. (2001). The contribution of internal audit as a determinant of external audit fees and factors influencing this contribution. *Journal of Accounting Research*, 39(3), 513-534.
- Ferris, S. P., Jagannathan, M., & Pritchard, A. C. (2003). Too busy to mind the business? Monitoring by directors with multiple board appointments. *The Journal of Finance*, 58(3), 1087-1112.

- Fich, E. M., & Shivdasani, A. (2006). Are busy boards effective monitors? *The Journal of Finance*, 61(2), 689-724.
- Firth, M. (1985). An analysis of audit fees and their determinants in New Zealand. *Auditing: A Journal of Practice & Theory*, 4(2), 23-37.
- Firth, M. (1997). The provision of non-audit service and the pricing of audit fees. *Journal of Business Finance & Accounting*, 24(3/4), 511-525.
- Fisman, R. (2001). Estimating the value of political connections. *American Economic Review*, 91(4), 1095-1102.
- Florou, A., & Pope, P. F. (2012). Mandatory IFRS adoption and institutional investment decisions. *Accounting Review*, 87(6), 1993-2025. doi: 10.2308/accr-50225
- Francis, J. R. (1984). The effect of audit firm size on audit prices: A study of the Australian market. *Journal of Accounting and Economics*, 6(2), 133-151.
- Francis, J. R. (2006). Are auditors compromised by Non-audit services? Assessing the evidence. *Contemporary Accounting Research*, 23(3), 747-760.
- Francis, J. R. (2011). A framework for understanding and researching audit quality. *Auditing: A Journal of Practice & Theory*, 30(2), 125-152.
- Francis, J. R., & Krishnan, J. (1999). Accounting accruals and auditor reporting conservatism. *Contemporary Accounting Research*, 16(1), 135-165.
- Francis, J. R., & Stokes, D. J. (1986). Audit prices, product differentiation, and scale economies: Further evidence from the Australian market. *Journal of Accounting Research*, 24(2), 383-393.

- Francis, J. R., & Wilson, E. R. (1988). Auditor changes: A joint test of theory relating to agency costs and auditor differentiation. *Accounting Review*, 63(4), 663-682.
- Francis, J. R., & Yu, M. D. (2009). Big 4 office size and audit quality. *Accounting Review*, 84(5), 1521-1552.
- Frankel, R. M., Johnson, M. F., & Nelson, K. K. (2002). The relation between auditors' fees for non-audit services and earnings management. *Accounting Review*, 77(4), 71-105.
- Fukukawa, H. (2011). Audit pricing and cost strategies of Japanese Big 3 firms. *International Journal of Auditing*, 15(2), 109-126.
- Gabriel, C. (2014). Of national honours and national horrors. From Vanguard <http://www.vanguardngr.com/2014/04/national-honours-national-horrors/>
- Ge, W., & McVay, S. (2005). The disclosure of material weaknesses in internal control after the Sarbanes-Oxley Act. *Accounting Horizons*, 19(3), 137-158.
- Geiger, M. A., & Raghunandan, K. (2002). Auditor tenure and audit reporting failures. *Auditing: A Journal of Practice of Theory*, 21(1), 67-78.
- Ghosh, A., & Pawlewicz, R. (2009). The impact of regulation on auditor fees: evidence from the Sarbanes-Oxley Act. *Auditing: A Journal of Practice & Theory*, 28(2), 171-197. doi: 10.2308/aud.2009.28.2.171
- Gibbins, M., & Emby, C. (1984, Spring). Preposition about the psychology of professional judgment in public accounting. *Journal of Accounting Research*, 103-125.

- Gibbins, M., Salterio, S., & Webb, A. (2001). Evidence about auditor-client management negotiation concerning client's financial reporting. *Journal of Accounting Research*, 39(3), 535-563.
- Gippel, J. K., Smith, T., & Zhu, Y. (2014). Endogeneity in accounting and finance research: Natural Experiments as a State-of-the-Art Solution. *Abacus*, 51(2), 143-168.
- Glaum, M., Schmidt, P., Street, D. L., & Vogel, S. (2013). Compliance with IFRS 3- and IAS 36-required disclosures across 17 European countries: company-and country-level determinants. *Accounting and Business Research*, 43(3), 163-204.
- Global Competitiveness Report. (2013-2014). <http://www.weforum.org/reports/global-competitiveness-report-2013-2014>
- Goddard, A. R., & Masters, C. (2000). Audit committees Cadbury code and audit fees: an empirical analysis of UK companies. *Managerial Auditing Journal*, 15(7), 358-371.
- Goodwin-Stewart, J., & Kent, P. (2006). Relation between external audit fees, audit committee characteristics and internal audit. *Accounting & Finance*, 46(3), 387-404.
- Greene, W. H. (2003). *Econometric analysis*. New Delhi. Pearson Education.
- Greenspan, A. (1999). *Do efficient financial markets mitigate financial crises?* Paper presented at the A Remark before the 1999 Financial Markets Conference of the Federal Reserve Bank of Atlanta, Sea Island, Georgia.
- Griffin, P. A., Lont, D. H., & Sun, Y. (2009). Governance regulatory changes,

- international financial reporting standards adoption, and New Zealand audit and non-audit fees: empirical evidence. *Accounting & Finance*, 49(4), 697-724. doi: 10.1111/j.1467-629X.2009.00310.x
- Guedhami, O., Pittman, J. A., & Saffar, W. (2014). Auditor choice in politically connected firms. *Journal of Accounting Research*, 52(1), 107-162. doi: 10.1111/1475-679x.12032
- Gujarati, D. (2006). *Basic econometrics* (4th ed.). New York: The McGraw Hill Companies.
- Gujarati, D. N., & Porter, D. (2009). *Basic econometrics*. New York: McGraw-Hill International Edition.
- Gul, F. A. (2006). Auditors' response to political connections and cronyism in Malaysia. *Journal of Accounting Research*, 44(5), 931-963.
- Gul, F. A., Chen, C. J. P., & Tsui, J. S. L. (2003). Discretionary accounting accruals, managers' incentives, and audit fees. *Contemporary Accounting Research*, 20(3), 441-464.
- Gul, F. A., & Lynn, S. G. (2002). Litigation risk and audit fees: Evidence from UK firms cross-listed on US markets. *Journal of Accounting and Economics*, 33(1), 91-115.
- Gyimah-Brempong, K., & Traynor, T. L. (1999). Political instability, investment and economic growth in Sub-Saharan Africa. *Journal of African Economies*, 8(1), 52-86.
- Habib, A., Bhuiyan, M., & Uddin, B. (2016). Overlapping membership on audit and

- compensation committees and financial reporting quality. *Australian Accounting Review*, 26(1), 76-90.
- Hammersley, J. S., Myers, L. A., & Shakespeare, C. (2008). Market reactions to the disclosure of internal control weaknesses and to the characteristics of those weaknesses under Section 302 of the Sarbanes Oxley Act of 2002. *Review of Accounting Studies*, 13(1), 141-165.
- Hahn, J., & Hausman, J. A. (2000). A new specification test for the validity of instrumental variables. Retrieved on 11 February 2016 from <http://economics.mit.edu/files/1046>
- Hay, D. (2013). Further evidence from meta-analysis of audit fee research. *International Journal of Auditing*, 17(2), 162-176.
- Hay, D. C., Knechel, W. R., & Wong, N. (2006). Audit fees: A meta-analysis of the effect of supply and demand attributes. *Contemporary Accounting Research*, 23(1), 141-191.
- Hermanson, D. R., Tompkins, J. G., Veliyath, R., & Ye, Z. S. (2012). The compensation committee process. *Contemporary Accounting Research*, 29(3), 666-709.
- Hogan, C. E., & Wilkins, M. S. (2008). Evidence on the audit risk model: Do auditors increase audit fees in the presence of internal control deficiencies? *Contemporary Accounting Research*, 25(1), 219-242.
- Higgs, D. (2003). Review of the role and effectiveness of non-executive directors (pp. 1-120). Stationery Office.

- Hoitash, R., Hoitash, U., & Bedard, J. C. (2008). Internal control quality and audit pricing under the Sarbanes-Oxley Act. *Auditing: A Journal of Practice of Theory*, 27(1), 105-126.
- Hoitash, R., Markelevich, A., & Barragato, C. A. (2007). Auditor fees and audit quality. *Managerial Auditing Journal*, 22(8), 761-786.
- Hoitash, U., & Hoitash, R. (2009). Conflicting objectives within the board: Evidence from overlapping audit and compensation committee members. *Group Decision & Negotiation*, 18(1), 57-73. doi: 10.1007/s10726-008-9125-y
- Horton, J., Serafeim, G., & Serafeim, I. (2013). Does mandatory IFRS adoption improve the information environment? *Contemporary Accounting Research*, 30(1), 388-423. doi: 10.1111/j.1911-3846.2012.01159.x
- Hsu, P. C. (2004). Going private-A response to an increased regulatory burden? UCLA School of Law, Law-Econ Research Paper (04-16). Retrieved on 11 February 2016 from <http://ssrn.com/abstract=619501>.
- Huang, H.-W., Raghunandan, K., & Rama, D. (2009). Audit fees for initial audit engagements before and after SOX. *Auditing: A Journal of Practice & Theory*, 28(1), 171-190.
- Hunt, S. D. (1995). The resource-advantage theory of competition toward explaining productivity and economic growth. *Journal of Management Inquiry*, 4(4), 317-332.
- Hussein, F. E., & MohdHanefah, M. (2013). Overview of surrogates to measure audit quality. *International Journal of Business & Management*, 8(17), 84-91. doi:

- ICAEW. 2004. Auditing implications of IFRS transition. Institute of Chartered Accountants in England and Wales. Technical releases, April 03/04. Audit and Assurance Faculty. London.
- IFRS Foundation. (January 2013). Constitution revised and approved by the trustees <http://www.ifrs.org/The-organisation/Governance-and-accountability/Constitution/Documents/IFRS-Foundation-Constitution-January-2013.pdf>
- Iliev, P. (2010). The effect of SOX Section 404: Costs, earnings quality, and stock prices. *The Journal of Finance*, 65(3), 1163-1196.
- Ireland, J. C., & Lennox, C. S. (2002). The large audit firm fee premium: a case of selectivity bias? *Journal of Accounting, Auditing & Finance*, 17(1), 73-91.
- Jackson A. B. J., Moldrich, M., & Roebuck, P. (2008). Mandatory audit firm rotation and audit quality. *Managerial Auditing Journal*, 23(5), 420-437.
- Jacob, R. A., & Madu, C. N. (2009). International financial reporting standards: An indicator of high quality? *International Journal of Quality & Reliability Management*, 26(7), 712-722.
- Jain, P. K., & Rezaee, Z. (2006). The Sarbanes-Oxley Act of 2002 and capital-market behavior: Early evidence. *Contemporary Accounting Research*, 23(3), 629-654.
- Jamal, K., & Tan, H.-T. (2010). Joint effects of principles-based versus rules-based standards and auditor type in constraining financial managers' aggressive

reporting. *The Accounting Review*, 85(4), 1325-1346. doi: 10.2308/accr.2010.85.4.1325

Jeanjean, T., & Stolowy, H. (2008). Do accounting standards matter? An exploratory analysis of earnings management before and after IFRS adoption. *Journal of Accounting & Public Policy*, 27(6), 480-494. doi: 10.1016/j.jaccpubpol.2008.09.008

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.

Jeong, S. W., Jung, K., & Lee, S.-J. (2005). The effect of mandatory auditor assignment and non-audit service on audit fees: Evidence from Korea. *The International Journal of Accounting*, 40(3), 233-248.

Jeter, D. C., & Shivakumar, L. (1999). Cross-sectional estimation of abnormal accruals using quarterly and annual data: Effectiveness in detecting event-specific earnings management. *Accounting and Business Research*, 29(4), 299-319.

Johl, S., Subramaniam, N., & Mat Zain, M. (2012). Audit committee and CEO ethnicity and audit fees: Some Malaysian evidence. *The International Journal of Accounting*, 47(3), 302-332. doi: <http://dx.doi.org/10.1016/j.intacc.2012.07.002>

Johnson, S., & Mitton, T. (2003). Cronyism and capital controls: evidence from Malaysia. *Journal of Financial Economics*, 67(2), 351-382. doi: [http://dx.doi.org/10.1016/S0304-405X\(02\)00255-6](http://dx.doi.org/10.1016/S0304-405X(02)00255-6)

- Johnson, V. E., & Kaplan, S. E. (1991). Experimental-evidence on the effects of accountability on auditor judgments. *Auditing: A Journal of Practice & Theory*, 10, 96-107.
- Jones, F. L., & Raghunandan, K. (1998). Client risk and recent changes in the market for audit services. *Journal of Accounting and Public Policy*, 17(2), 169-181. doi: [http://dx.doi.org/10.1016/S0278-4254\(97\)10002-3](http://dx.doi.org/10.1016/S0278-4254(97)10002-3)
- Jones, J. (1991). Earnings management during import relief investigations. *Journal of Accounting Research*, 29(2), 193-228.
- Jong-Hag, C., Kim, C., Jeong-Bon, K., & Yoonseok, Z. (2010). Audit office size, audit quality, and audit pricing. *Auditing: A Journal of Practice & Theory*, 29(1), 73-97. doi: 10.2308/aud.2010.29.1.73
- Kaplan, S. N., & Minton, B. A. (1994). Appointments of outsiders to Japanese boards: Determinants and implications for managers. *Journal of Financial Economics*, 36(2), 225-258.
- Karim, K., Robin, A., & Suh, S. (2016). Board structure and audit committee monitoring effects of audit committee monitoring incentives and board entrenchment on audit fees. *Journal of Accounting, Auditing & Finance*, 31(2), 249-276.
- Kaya, D., & Pillhofer, J. A. (2013). Potential adoption of IFRS by the United States: A critical view. *Accounting Horizons*, 27(2), 271-299. doi: 10.2308/acch-50423
- Kennedy, J. (1993). Debiasing audit judgment with accountability: A framework and experimental results. *Journal of Accounting Research*, 31(2), 231-245.

- Kennedy, P. (1992). A guide to econometrics. Oxford: Blackwell.
- Khan, A. R., Hossain, D. M., & Siddiqui, J. (2011). Corporate ownership concentration and audit fees: The case of an emerging economy. *Advances in Accounting*, 27(1), 125-131. doi: <http://dx.doi.org/10.1016/j.adiac.2011.04.007>
- Kilgore, A., Radich, R., & Harrison, G. (2011). The relative importance of audit quality attributes. *Australian Accounting Review*, 21(3), 253-265.
- Kim, J.-B., Liu, X., & Zheng, L. (2012). The impact of mandatory IFRS adoption on audit fees: Theory and evidence. *Accounting Review*, 87(6), 2061-2094. doi: 10.2308/accr-50223
- Klein, B., & Leffler, K. B. (1981). The role of market forces in assuring contractual performance. *The Journal of Political Economy*, 89(4), 615-641
- Knechel, W. R., Krishnan, G. V., Pevzner, M., Shefchik, L. B., & Velury, U. K. (2013). Audit quality: Insights from the academic literature. *Auditing: A Journal of Practice & Theory*, 32(1), 385-421. doi: 10.2308/ajpt-50350
- Knechel, W. R., & Vanstraelen, A. (2007). The relationship between auditor tenure and audit quality implied by going concern opinions. *Auditing: A Journal of Practice & Theory*, 26(1), 113-131.
- Kothari, S. P., Leone, A. J., & Wasley, C. E. (2005). Performance matched discretionary accrual measures. *Journal of Accounting and Economics*, 39(1), 163-197. doi: <http://dx.doi.org/10.1016/j.jacceco.2004.11.002>
- Krishnan, G. V. (2003). Audit quality and the pricing of discretionary accruals. *Auditing: A Journal of Practice & Theory*, 22(1), 109-126.

- Krishnan, G. V. (2003). Does Big 6 auditor industry expertise constrain earnings management? *Accounting Horizons*, 17(1), 1-16.
- Krishnan, J. (1994). Auditor switching and conservatism. *Accounting Review*, 69(1), 200-215.
- Krishnan, J., Lixin, S., & Yinqi, Z. (2011). Non-audit services and earnings management in the pre-SOX and post-SOX eras. *Auditing: A Journal of Practice & Theory*, 30(3), 103-123. doi: 10.2308/ajpt-10050
- Krishnan, J., Lixin, S., & Yinqi, Z. (2011). Non-audit services and earnings management in the pre-SOX and post-SOX eras. *Auditing: A Journal of Practice & Theory*, 30(3), 103-123.
- Krishnan, J., Rama, D., & Yinghong, Z. (2008). Costs to comply with SOX Section 404. *Auditing: A Journal of Practice & Theory*, 27(1), 169-186.
- Krishnan, J., Sami, H., & Zhang, Y. (2005). Does the provision of non-audit services affect investor perceptions of auditor independence? *Auditing: A Journal of Practice & Theory*, 24(2), 111-135.
- Langendijk, H. (1997). The market for audit services in the Netherlands. *European Accounting Review*, 6(2), 253-264.
- Larcker, D. F., & Richardson, S. A. (2004). Fees paid to audit firms, accrual choices, and corporate governance. *Journal of Accounting Research*, 42(3), 625-658.
- Laux, C., & Laux, V. (2009). Board committees, CEO compensation, and earnings management. *The Accounting Review*, 84(3), 869-891.
- Lennox, C. S. (1999). Audit quality and auditor size: An evaluation of reputation and

- deep pockets hypotheses. *Journal of Business Finance & Accounting*, 26(7/8), 779-805.
- Leung, S., & Clinch, G. (2014, 23-24 April). *The effect of IFRS adoption on accounting quality and market liquidity: The impact of family control*. Presented at the Financial Markets & Corporate Governance Conference, Brisbane, Australia.
- Leuz, C. (2010). Different approaches to corporate reporting regulation: How jurisdictions differ and why. *Accounting and Business Research*, 40(3), 229-256.
- Leuz, C., & Oberholzer-Gee, F. (2006). Political relationships, global financing, and corporate transparency: Evidence from Indonesia. *Journal of Financial Economics*, 81(2), 411-439.
- Liao, C. H., & Hsu, A. W. H. (2013). Common membership and effective corporate governance: Evidence from audit and compensation committees. *Corporate Governance: An International Review*, 21(1), 79-92.
- Liu, C., Yao, L. J., Hu, N., & Liu, L. (2011). The impact of IFRS on accounting quality in a regulated market: An empirical study of China. *Journal of Accounting, Auditing & Finance*, 26(4), 659-676. doi: 10.1177/01485558x11409164
- Lobo, G. J., & Zhou, J. (2006). Did conservatism in financial reporting increase after the Sarbanes-Oxley Act? Initial evidence. *Accounting Horizons*, 20(1), 57-73.
- Lyon, J. D., & Maher, M. W. (2005). The importance of business risk in setting audit fees: Evidence from cases of client misconduct. *Journal of Accounting*

Research, 43(1), 133-151.

Manry, D. L., Mock, T. J., & Turner, J. L. (2008). Does increased audit partner tenure reduce audit quality? *Journal of Accounting, Auditing & Finance*, 23(4), 553-572.

Matthews, D., & Peel, M. J. (2003). Audit fee determinants and the large auditor premium in 1900. *Accounting and Business Research*, 33(2), 137-155.

Meek, G. K., & Thomas, W. B. (2004). A review of markets-based international accounting research. *Journal of International Accounting Research*, 3(1), 21-41.

Memis, M. Ü., & Cetenak, E. H. (2012). Earnings management, audit quality and legal environment: An international comparison. *International Journal of Economics & Financial Issues*, 2(4), 460-469.

Méndez, C. F., Pathan, S., & Garcia, R. A. (2015). Monitoring capabilities of busy and overlap directors: Evidence from Australia. *Pacific-Basin Finance Journal*, 35, 444-469.

Menon, K., & Williams, D. D. (1994). The insurance hypothesis and market prices. *Accounting Review*, 69(2), 327-342.

Mitchell, L. E. (2003). Sarbanes-Oxley Act and the reinvention of corporate governance. *Villanova Law Review*, 48(4), 1189-1216.

Mitra, S., Deis, D. R., & Hossain, M. (2009). The association between audit fees and reported earnings quality in pre-and post-Sarbanes-Oxley regimes. *Review of Accounting and Finance*, 8(3), 232-252.

Murray, Z. (2013). Audit quality - the role of management. *Chartered Accountants*

Journal, 92(5), 34-35.

Nagy, A. L. (2010). Section 404 compliance and financial reporting quality.

Accounting Horizons, 24(3), 441-454.

Naser, K., & Nuseibeh, R. (2008). Determinants of audit fees: empirical evidence from an emerging economy. *International Journal of Commerce and Management*, 17(3), 239-254.

Nelson, M. W., Elliott, J. A., & Tarpley, R. L. (2002). Evidence from auditors about managers' and auditors' earnings management decisions. *The Accounting Review*, 77(4), 175-202.

Niemi, L. (2004). Auditor size and audit pricing: Evidence from small audit firms.

European Accounting Review, 13(3), 541-560. doi:

10.1080/0963818042000237151

Nigeria accounting standard board. (2010). *Report of the committee on road map to the adoption of international financial reporting standards in Nigeria*. Retrieved from file:///C:/Users/Admin/Downloads/FRSROADMAP
COMMITTEEINALREPORT.pdf

Nigeria Vision 2020 Programme. (2009). *Report of the Vision 2020 National technical Working Group on corporate governance & corporate social responsibility*, Retrieved on 11 February 2016 from www.ibenaija.org/uploads/1/0/1/2/10128207/corp_governance_ntwg_report.pdf

Nikkinen, J., & Sahlstrom, P. (2004). Does agency theory provide a general framework for audit pricing? *International Journal of Auditing*, 8(3), 253-262.

doi: 10.1111/j.1099-1123.2004.00094.x

Ofo, N. (2010). An appraisal of audit committees of public companies in Nigeria.

Available at SSRN 1641603.

Ogbechie, C., Koufopoulos, D. N., & Argyropoulou, M. (2009). Board characteristics and involvement in strategic decision making: The Nigerian perspective. *Management Research News*, 32(2), 169-184.

O'Keefe, T. B., Simunic, D. A., & Stein, M. T. (1994). The production of audit services: Evidence from a major public accounting firm. *Journal of Accounting Research*, 32(2), 241-261.

Okike, E. (2004). Management of crisis: The response of the auditing profession in Nigeria to the challenge to its legitimacy. *Accounting, Auditing & Accountability Journal*, 17(5), 705-730.

Okike, E. N. (2007). Corporate governance in Nigeria: The status quo. *Corporate governance: An International Review*, 15(2), 173-193.

Olatunde, J., & Lauwo, S. (2010). The role of auditors in Nigerian banking crisis. *Accountancy Business and the Public Interest*, 9, 159-204.

Oso, L., & Semiu, B. (2012). The concept and practice of corporate governance in Nigeria: The need for public relations and effective corporate communication. *Journal of Communication*, 3(1), 1-16.

Oteh, M. A. (2010). A roadmap for transforming the Nigerian capital markets.

Retrieved from http://www.sec.gov.ng/files/speech_roadmap%20

for%20transforming%20the%20Nigerian%20capital%20market.pdf

- Otunsanya, A., & Lauwo, S. (2010). The role of auditors in the Nigeria banking crisis. *Accountancy Business and the Public Interest*, 9, 159-204.
- Palea, V. (2013). IAS/IFRS and financial reporting quality: Lessons from the European experience. *China Journal of Accounting Research*, 6(4), 247-263.
doi: <http://dx.doi.org/10.1016/j.cjar.2013.08.003>
- Palmrose, Z.-V. (1986). Audit fees and auditor size: Further evidence. *Journal of Accounting Research*, 24(1), 97-110.
- Palmrose, Z.V. (1986). The effect of non-audit services on the pricing of audit services: Further evidence. *Journal of Accounting Research*, 24(2), 405-411.
- Parkash, M., & Venable, C. F. (1993). Auditee incentives for auditor independence: The case of non-audit services. *The Accounting Review*, 68(1), 113-133.
- Peecher, M. E., Solomon, I., & Trotman, K. T. (2013). An accountability framework for financial statement auditors and related research questions. *Accounting, Organizations and Society*, 38(8), 596-620.
- Pincus, K., Rusbarsky, M., & Wong, J. (1990). Voluntary formation of corporate audit committees among NASDAQ firms. *Journal of Accounting and Public Policy*, 8(4), 239-265.
- Pong, C. M., & Whittington, G. (1994). The determinants of audit fees: Some empirical models. *Journal of Business Finance & Accounting*, 21(8), 1071-1095.
- Poon, W. W. (2012). Incorporating IFRS into the U.S. Financial reporting system. *Journal of Business & Economics Research*, 10(5), 303-311.
- Pratt, J., & Stice, J. D. (1994). The effects of client characteristics on auditor

- litigation risk judgments, required audit evidence, and recommended audit fees. *The Accounting Review*, 69(4), 639-656.
- Raghunandan, K., & Rama, D. V. (2006). SOX Section 404 material weakness disclosures and audit fees. *Auditing: A Journal of Practice & Theory*, 25(1), 99-114.
- Redmayne, N. B. (2013). Audit quality - an academic's perspective. *Chartered Accountants Journal*, 92(7), 26-27.
- Redmayne, N. B., & Laswad, F. (2013). An assessment of the impact of IFRS adoption on public sector audit fees and audit effort - Some evidence of the transition costs on changes in reporting regimes. *Australian Accounting Review*, 23(1), 88-99. doi: 10.1111/j.1835-2561.2012.00166.x
- Report on the Observance of Standards and Codes (ROSC). (2004). Accounting and auditing. Retrieved on 14 February 2016 from http://www.worldbank.org/ifa/rosc_aa_nga.pdf
- Report on the Observance of Standards and Codes (ROSC). (2011). Accounting and auditing. Retrieved on 14 February 2016 from http://www.worldbank.org/ifa/rosc_aa_nga.pdf
- Reynolds, J. K., & Francis, J. R. (2000). Does size matter? The influence of large clients on office-level auditor reporting decisions. *Journal of Accounting and Economics*, 30(3), 375-400. doi: [http://dx.doi.org/10.1016/S0165-4101\(01\)00010-6](http://dx.doi.org/10.1016/S0165-4101(01)00010-6)
- Richardson, S. A., Tuna, A., & Wu, M. (2002). Predicting earnings management:

The case of earnings restatements. Available at SSRN:

<http://ssrn.com/abstract=338681>

Roberts, M. R., & Whited, T. M. (2012). *Endogeneity in empirical corporate finance*. The Bradley Policy Research Center Financial Research and Policy Working Paper No FR 11-29. Available at https://www.researchgate.net/profile/Toni_Whited/publication/228172037_Endogeneity_in_Empirical_Corporate_Finance/links/02e7e51a8c57c201ad000000.pdf

Ronen, J. (2002, Winter 2002). Policy reforms in the aftermath of accounting scandals, Editorial, *Journal of Accounting & Public Policy*, 21, 281-286. Retrieved from <http://eserv.uum.edu.my/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bah&AN=8791789&site=ehost-live&scope=site>

Roychowdhury, S. (2006). Earnings management through real activities manipulation. *Journal of Accounting and Economics*, 42(3), 335-370. doi: <http://dx.doi.org/10.1016/j.jacceco.2006.01.002>

Rubin, M. A. (1988). Municipal audit fee determinants. *The Accounting Review*, 63(2), 219-236.

Scheaffer, R. L., Mendenhall, W., & Ott, L. (2006). *Elementary survey sampling*. Boston: Cengage Learning.

Schipper, K. (2003). Principles-based accounting standards. *Accounting Horizons*, 17(1), 61-72.

- Schwartz, K. B., & Menon, K. (1985). Auditor switches by failing firms. *The Accounting Review*, 60(2), 248-261.
- Seetharaman, A., Gul, F. A., & Lynn, S. G. (2002). Litigation risk and audit fees: Evidence from UK firms cross-listed on US markets. *Journal of Accounting and Economics*, 33(1), 91-115. doi: [http://dx.doi.org/10.1016/S0165-4101\(01\)00046-5](http://dx.doi.org/10.1016/S0165-4101(01)00046-5)
- Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach* (5th ed.). Hoboken, NJ: Wiley and Sons Ltd Publications.
- Shea, J. (1997). Instrument relevance in multivariate linear models: A simple measure. *Review of Economics and Statistics*, 79(2), 348-352.
- Simunic, D. A. (1980). The pricing of audit services: Theory and evidence. *Journal of Accounting Research*, 18(1), 161-190.
- Simunic, D. A. (1984). Auditing, consulting, and auditor independence. *Journal of Accounting Research*, 22(2), 679-702.
- Simunic, D. A., & Stein, M. T. (1990). Audit risk in a client portfolio context. *Contemporary Accounting Research*, 6(2), 329-343.
- Simunic, D. A., & Stein, M. T. (1996). The impact of litigation risk on audit pricing: A review of the economics and the evidence. *Auditing*, 15(2), 119-134.
- Soderstrom, N. S., & Sun, K. J. (2007). IFRS adoption and accounting quality: A review. *European Accounting Review*, 16(4), 675-702. doi: 10.1080/09638180701706732
- Stein, M. T., Simunic, D. A., & O'Keefe, T. B. (1994). Industry differences in the

- production of audit services. *Auditing*, 13(1), 128-142.
- Stewart, J., & Munro, L. (2007). The impact of audit committee existence and audit committee meeting frequency on the external audit: perceptions of Australian auditors. *International Journal of Auditing*, 11(1), 51-69. doi: 10.1111/j.1099-1123.2007.00356.x
- Taffler, R. J., & Ramalingman, K. S. (1982). *The determinants of the audit fee in the UK: An exploratory study*. London: City University Business School Working Paper No. 37.
- Tarca, A. (2012). The case for global accounting standards: Arguments and evidence. Available at SSRN 2204889.
- Taylor, M. E., & Baker, R. L. (1981). An analysis of the external audit fee. *Accounting and Business Research*, 12(45), 55-60.
- Taylor, M. H., & Simon, D. T. (1999). Determinants of audit fees: the importance of litigation, disclosure, and regulatory burdens in audit engagements in 20 countries. *The International Journal of Accounting*, 34(3), 375-388.
- Tetlock, P. E. (1983). Accountability and complexity of thought. *Journal of Personality and Social Psychology*, 45(1), 74-83.
- The Institute of Chartered Accountants of Nigeria. (2009). Advanced audit and assurance professional examination 1. Lagos: VI Publishers.
- Tsipouridou, M., & Spathis, C. (2012). Earnings management and the role of auditors in an unusual IFRS context: The case of Greece. *Journal of International Accounting, Auditing & Taxation*, 21(1), 62-78. doi:

10.1016/j.intaccaudtax.2012.01.005

Ujunwa, A., Salami, P., & Umar, A. (2013). CEO duality and firm performance: An integration of institutional perceptive with agency theory. *International Journal of Science, Human Science and Engineering*, 7(1), 97-103.

United Nations Conference on Trade and Development. (2013). International Accounting CCOU and Reporting Issues (pp. 1-130). New York and Geneva: United Nations.

United Nations Economic Commission for Africa. (2013). *Economic report on Africa*. Retrieved from <http://www.uneca.org/publications/economic-report-africa-2013>

Vafeas, N. (2000). The determinants of compensation committee membership. *Corporate Governance: An International Review*, 8(4), 356-366.

Vafeas, N., & Waagelein, J. F. (2007). The association between audit committees, compensation incentives, and corporate audit fees. *Review of Quantitative Finance and Accounting*, 28(3), 241-255.

Van Peursem, K., & Hauriasi, A. (1999). Auditors' reputation: An analysis of press coverage in New Zealand. *Accounting Forum*, 23(1), 93-108.

Varıcı, İ. (2013). The relationship between information asymmetry and the quality of audit: An empirical study in Istanbul Stock Exchange. *International Business Research*, 6(10), 132-140. doi: 10.5539/ibr.v6n10p132

Verriest, A., Gaeremynck, A., & Thornton, D. B. (2013). The impact of corporate governance on IFRS adoption choices. *European Accounting Review*, 22(1), 39-

- Vieru, M., & Schadewitz, H. (2010). Impact of IFRS transition on audit and non-audit fees: Evidence from small and medium-sized listed companies in Finland. *The Finnish Journal of Business Economics*, 59(1), 11-41.
- Wahab, A., Aswadi, E., Zain, M. M., & James, K. (2011). Audit fees in Malaysia: Does corporate governance matter? *Asian Academy of Management Journal of Accounting & Finance*, 7(1), 1-27.
- Wallace, W.A. (1980). *The economic role of the audit in free and regulated markets*. New York: Touche Ross & Co. Aid to Education Program. Graduate School of Management, University of Rochester.
- Wang S.W.S., & Hay, D. (2013). Auditor independence in New Zealand: Further evidence on the role of non-audit services. *Accounting & Management Information Systems / Contabilitate si Informatica de Gestiune*, 12(2), 235-262.
- Wang, K., O, S., & Iqbal, Z. (2009). Audit pricing and auditor industry specialization in an emerging market: Evidence from China. *Journal of International Accounting, Auditing and Taxation*, 18(1), 60-72. doi: <http://dx.doi.org/10.1016/j.intaccaudtax.2008.12.006>
- Wang, K., O, S., & Iqbal, Z. (2009). Audit pricing and auditor industry specialization in an emerging market: Evidence from China. *Journal of International Accounting, Auditing and Taxation*, 18(1), 60-72. doi: <http://dx.doi.org/10.1016/j.intaccaudtax.2008.12.006>
- Wan-Hussin, W. N., & Bamahros, H. M. (2012). Audit committee-compensation

committee overlap and earnings management: Some Malaysian evidence.

Available at <http://www.rezzen.com.my/LMS/files/library/>

809/01156308533.pdf

Waresul Karim, A., & Moizer, P. (1996). Determinants of audit fees in Bangladesh.

The International Journal of Accounting, 31(4), 497-509.

Watts, R. L., & Zimmerman, J. L. (1983). Agency problems, auditing, and the theory of the firm: Some evidence. *Journal of Law and Economics*, 26(3), 613-633.

Willenborg, M. (1999). Empirical analysis of the economic demand for auditing in the initial public offerings market. *Journal of Accounting Research*, 37(1), 225-238.

Wilson, I. (2006). Regulatory and institutional challenges of corporate governance in Nigeria post banking consolidation. *Nigerian Economic Summit Group (NESG) Economic Indicators* 12(2).

Wintoki, M. B., Linck, J. S., & Netter, J. M. (2012). Endogeneity and the dynamics of internal corporate governance. *Journal of Financial Economics*, 105(3), 581-606.

Wolfgang, J-L., Van der Zahn, M., & Tower, G. (2005). Composition of key board of director sub-committees: Did the Higgs report get it right? Retrieved on 14 February 2016 from http://ink.library.smu.edu.sg/soa_research/41/

Wooldridge, J. M. (2001). Applications of generalized method of moments estimation. *Journal of Economic Perspectives*, 15(4), 87-100.

Wu, J. S., & Zhang, I. X. (2010). *Accounting integration and comparability:*

- Evidence from relative performance evaluation around IFRS adoption*. Working paper, University of Rochester and University of Minnesota. Available at http://business.fiu.edu/soa/lectures/2009_2010/docs/Zhang.pdf
- Yaacob, N. M., & Che-Ahmad, A. (2012). Audit fees after IFRS adoption: Evidence from Malaysia. *Eurasian Business Review*, 2(1), 31-46.
- Yaacob, N. M. B. (2011). The effect of International Financial Reporting Standard (IFRS) adoption on audit pricing and audit timeliness: Evidence from Malaysia. Universiti Utara Malaysia, Sintok Kedah Malaysia. Retrieved from <http://lintas.uum.edu.my:8080/elm/index.jsp?modul>
- Yatim, P., Kent, P., & Clarkson, P. (2006). Governance structures, ethnicity, and audit fees of Malaysian listed firms. *Managerial Auditing Journal*, 21(7), 757-782.
- Yi Lin, C., Chee Seng, C., & Graeme, G. (2012). The impact of mandatory IFRS adoption on accounting quality: Evidence from Australia. *Journal of International Accounting Research*, 11(1), 119-146. doi: 10.2308/jiar-10212
- Yip, R. W., & Young, D. (2012). Does mandatory IFRS adoption improve information comparability? *The Accounting Review*, 87(5), 1767-1789.
- Zaman, M., Hudaib, M., & Haniffa, R. (2011). Corporate governance quality, audit fees and non-audit services fees. *Journal of Business Finance & Accounting*, 38(1-2), 165-197.
- Zéghal, D., Chtourou, S., & Sellami, Y. M. (2011). An analysis of the effect of mandatory adoption of IAS/IFRS on earnings management. *Journal of*

International Accounting, Auditing & Taxation, 20(2), 61-72. doi:

10.1016/j.intaccaudtax.2011.06.001

Zhang, I. X. (2007). Economic consequences of the Sarbanes–Oxley Act of 2002.

Journal of Accounting and Economics, 44(1), 74-115.

Zheng, X., & Cullinan, C. P. (2010). Compensation/audit committee overlap and the design of compensation systems. *International Journal of Disclosure & Governance*, 7(2), 136-152. doi: 10.1057/jdg.2009.23



Appendix 4A

Variance Inflation Factor For Financial Reporting Quality Mode

Variable	Model 1	Model 2
	VIF	VIF
POST	1.46	7.29
ABNRAF	1.20	2.65
POLI	1.48	2.77
OVERLAP	1.25	1.58
POSTABNAF		2.45
POSTPOLI		4.13
POSTOVERLAP		4.87
BIG4	1.39	1.42
SALESG	1.10	1.08
GEARING	1.12	1.12
ACCRUAL_TA	1.21	1.15
LOGROA	1.12	1.21
BUSSEG	1.13	1.14
CFFO2TA	1.10	1.11
LOGTA	2.18	2.26
TEMPLOY	1.09	1.10
RLAG	1.32	1.33
BSIZE	1.85	1.89
NONEXC_	1.95	1.99
IND_	1.84	1.86
FDIR	2.49	2.52
FSHR	2.12	2.14
INSTITSHR	1.55	1.58

Appendix 4B

Variance Inflation Factor for Audit Fees Model

Variable	Model 1	Model 2
	VIF	VIF
POSTABDDAC		1.28
POSTPOLI		3.89
POSTOVERLAP		2.57
POST		2.99
ABDAC	1.07	1.30
POLI	1.45	2.66
OVERLAP	1.23	2.24
LOGTA	2.18	2.04
BIG4	1.38	1.39
LOSS	1.11	1.15
CRATIO	1.58	2.13
QUICK	2.23	1.92
DR	1.04	1.05
INVREC_TA	1.22	1.29
BUSSEG	1.16	1.16
ROA	1.31	1.28
BUSY	1.16	1.14
RLAG	1.23	1.29
INSTITSHR	1.46	1.51
FSHR	1.58	1.58
BSIZE	1.39	2.03
EXC_	5.26	1.09
NONEXC_	7.84	1.68
INDP_	3.05	1.17
Mean VIF	2.00	1.74

Appendix 4C

GMM Step One Result for Financial Reporting Model

Variable	FRQ Without interaction (Step one)	FRQ With interaction (Step one)
ABDAC	0.2948	0.2567
L1.	(1.91**)	(2.30***)
POST	-0.4974 (-0.29)	-6.5971 (-0.83)
POSTABNAF	36.9053 (2.67)	-2.0375 (-0.13)
POSTPOLI	2.0052 (1.46)	3.8505 (2.78)
POSTOVERLAP	-0.1850 (-0.19)	-0.2719 (-0.21)
ABNRAF	-0.0125 (-0.03)	-2.0375 (-0.13)
POLI	0.0025 (0.51)	-1.3016 (-1.04)
OVERLAP	-1.7038 (-1.49)	-0.3284 (-0.37)
LOGTA	14.0330 (1.16)	0.4707 (0.82)
TEMPLOY	-0.3422 (-1.22)	0.0007 (0.16)
BIG4	1.1547 (1.64*)	-2.2568 (-3.29***)
SALESG	0.1572 (1.78**)	8.2237 (1.06***)
GEARING	0.1213 (0.49)	0.2080 (1.36)
ACCRUAL_TA	-0.0053 (-0.58)	0.0140 (1.60)

Note: * p = , ** p = , and *** p = .

Appendix 4C (continued)

Variable	FRQ Without interaction (Step one)	FRQ With interaction (Step one)
LOGROA	0.0003 (0.04)	1.2070 (2.52***)
BUSSEG	-0.0075 (-0.35)	0.2389 (1.33)
CFFO2TA	0.6186 (1.21)	-0.0054 (-0.82)
RLAG	-0.0402 (-0.12)	-0.0101 (-1.54)
INSTITSHR	-2.9586 (-0.97)	-0.0201 (-1.46)
FDIR	0.0040 (0.00)	-0.0819 -0.30
BSIZE	-0.0098 (-0.24)	0.1694 (0.80)
IND_	Yes	-0.2675 (-0.12)
NONEXC_		1.4093 (0.75)
FSHR		0.0253 (1.47)
Year and Industry Effect		Yes
Mean VIF	0.012 0.993	
R ²	0.213	
Hausman test	211	
AR1		0.003
AR2		0.999
Hansen j		0.063
N		211

Note: * p = , ** p = , and *** p = .

Appendix 4D

GMM Step One Result For Audit Fees Model

Variable	Audit fee Without interaction (Step one)	Audit fee With interaction (Step one)
LAGAF L1.	0.3940 (6.36***)	0.7417 (4.44***)
POSTABDDAC		-0.0040 (-0.02)
POSTPOLI		0.0597 (0.45)
POSTOVERLAP		0.2667 (1.87***)
POST ABDAC	0.0070 (0.20)	-0.3353 (-1.43**)
	0.0006 (1.95***)	-0.0038 (-0.38)
POLI	-0.0847 (-0.95)	-0.0489 (-0.45)
OVERLAP	-0.0781 (1.92***)	0.0868 (1.05)
LOGTA	0.2291 (4.80***)	0.1612 (1.50**)

Note: * p = , ** p = , and *** p =

Appendix 4D (continued)

Variable	Audit fee Without interaction (Step one)	Audit fee With interaction (Step one)
BIG4	0.2782 (3.79***)	0.0442 (0.49)
Loss	0.2280 (2.91***)	0.1051 (1.18)
CRATIO	-0.0377 (-0.90)	0.0139 (0.23)
Quick	0.0211 (1.67***)	0.0031 (0.25)
DR	0.2028 (1.41**)	0.0154 (0.08)
INVREC_TA	0.0794 (1.84***)	0.0953 (1.20)
BUSSEG	0.1159 (1.92***)	0.0135 (0.14)
ROA	-0.3101 (-1.62**)	0.1193 (0.53)
BUSY	-0.0072 (-0.09)	-0.0392 (-0.37)
RLAG	-0.0606 (-1.24*)	0.0404 (0.54)
INSTITSHR	0.0019 (1.70 **)	0.0014 (0.73)
FSHR	-0.0014 (-1.04)	0.0010 (0.36)

Note: * p = , ** p = , and *** p =

Appendix 4D
(continued)

Variable	Audit fee Without interaction (Step one)	Audit fee With interaction (Step one)
BSIZE	0.0012 (1.39**)	0.0002 (0.20)
EXC_	0.8352 (1.06)	-0.1986 (-0.40)
NONEXC_	0.9548 (1.16)	-0.1134 (-0.24)
INDP_	1.3142 (1.57**)	-0.1484 (-0.54)
Industry year effect	Yes	Yes
AR1	0.125	0.002
AR2	0.521	0.412
Hansen j	0.118	0.575
No of observations	244	244

